

**PUBLICATION OF REDACTED VERSION OF  
THE OEIG FOR THE AGENCIES UNDER THE  
GOVERNOR INVESTIGATIVE REPORT**

Case Number: 23-00048

Subject(s): Candice Argue

Below is the redacted version of an investigative summary report issued by the Executive Inspector General for the Agencies of the Illinois Governor. Pursuant to section 20-50 of the State Officials and Employees Ethics Act (Act) (5 ILCS 430/20-50), a summary report of an investigation is required to be issued by an executive inspector general when, and only when, at the conclusion of investigation, the executive inspector general determines reasonable cause exists to believe a violation has occurred. If a complaint is not to be filed with the Commission for adjudication of the alleged violation, the Act further requires the executive inspector general to deliver to the Executive Ethics Commission (Commission) a statement setting forth the basis for the decision not to file a complaint and a copy of the summary report of the investigation and of the response from the ultimate jurisdictional authority or agency head regarding the summary report. 5 ILCS 430/20-50(c-5). The Act requires that some summary reports be made available to the public and authorizes the Commission to make others available. 5 ILCS 430/20-52. Before making them available, however, the Commission is to redact from them information that may reveal the identity of witnesses, complainants, or informants and may redact "any other information it believes should not be made public." 5 ILCS 430/20 52(b).

Some summary reports delivered to the Commission may contain a mix of information relating to allegations with respect to which the executive inspector general did and did not determine reasonable cause existed to believe a violation occurred. In those situations, the Commission may redact information relating to those allegations with respect to which the existence of reasonable cause was not determined.

The Commission exercises its publication responsibility with great caution and seeks to balance the sometimes-competing interests of transparency and fairness to the accused and others uninvolved. To balance these interests, the Commission has redacted certain information contained in this report and identified where said redactions have taken place and inserted clarifying edits as marked. Publication of a summary report of an investigation, whether redacted or not, is made with the understanding that the subject or subjects of the investigation may not have had the opportunity to rebut the report's factual allegations or legal conclusions before issuance of the report. Moreover, there has not been, nor will there be, an opportunity for the subject to contest or adjudicate them before the Commission. The subject merely has the opportunity to submit a response for publication with the report.

The Commission received this report and a response from the ultimate jurisdictional authority and/or agency in this matter from the Agencies of the Illinois Governor Office of Executive Inspector General ("OEIG"). The Commission, pursuant to 5 ILCS 430/20-52, redacted the OEIG's final report and responses and mailed copies of the redacted version and responses to the Attorney General, the Executive Inspector General for the Agencies of the Illinois Governor, and each subject.

The Commission reviewed all suggestions received and makes this document available pursuant to 5 ILCS 430/20-52. By publishing the below redacted summary report, the Commission neither makes nor adopts any determination of fact or conclusions of law for or against any individual or entity referenced therein.

– THE REDACTED VERSION OF THE EIG'S SUMMARY REPORT  
BEGINS ON THE NEXT PAGE –

## **I. INTRODUCTION**

Based on finding evidence of a State employee fraudulently obtaining a federal Paycheck Protection Program (PPP) loan, the OEIG conducted a larger review to determine whether State employees properly obtained PPP loans and provided notice of secondary employment. Based on the large volume of PPP loans obtained by State employees, the OEIG narrowed its review based on certain factors including those State employees who received approximately \$20,000 or more in PPP loan funds.<sup>1</sup>

The OEIG self-initiated this investigation regarding a PPP loan in the amount of \$20,830 obtained by Candice Argue while employed at the Illinois Department of Human Services (DHS). During her interview with the OEIG, Ms. Argue said that she engaged in unreported outside employment, but admitted that the gross income amount used to apply for the PPP loan was inaccurately inflated, and that she obtained and spent the PPP loan proceeds personal expenses.

## **II. BACKGROUND**

Ms. Argue worked for the State from 2007 to 2018, and from 2019 to the present. She currently holds the position of Mental Health Technician II.

The PPP was created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the Small Business Administration (SBA) to provide relief to small businesses affected by the COVID-19 pandemic. PPP loans were made to eligible businesses, which included sole proprietorships and self-employed individuals, for qualifying payroll costs and business operating expenses such as insurance, rent, and utilities.<sup>2</sup> To apply for the loan, a sole proprietor or self-employed individual needed to submit certain tax filings or other payroll documentation to an SBA-approved lender, establishing their eligibility and demonstrating the qualifying payroll amount, which as of March 2021 could be based on “gross income” reported on an IRS Form 1040, Schedule C.<sup>3</sup> PPP loans were eligible for forgiveness by the SBA if used on qualifying expenses and if at least 60% was used for payroll costs.<sup>4</sup>

## **III. INVESTIGATION**

### **A. PPP Records For Candice Argue**

The OEIG located public records from the SBA showing that Ms. Argue received a PPP loan in the amount of \$20,830 in April 2021, for a sole proprietorship. The OEIG subpoenaed loan documents from the lender, which included a loan application for “Schedule C Filers,” signed in Ms. Argue’s name and dated April 16, 2021. The “Sole proprietor” box was checked, the

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<sup>1</sup> From the OEIG’s review, in order to be eligible for at least \$20,000 in loan proceeds, the small business typically had approximately \$100,000 or more in yearly net profit or gross income. The OEIG will be referring to the Ultimate Jurisdictional Authority those State employees who obtained PPP loans in smaller amounts or were not investigated for other logistical reasons.

<sup>2</sup> 15 U.S.C. § 636(a)(36); SBA Interim Final Rule, 85 FR 20811 (Apr. 15, 2020).

<sup>3</sup> SBA Interim Final Rule, 86 FR 13149 (Mar. 8, 2021) (expanded definition of “payroll costs” for sole proprietors).

<sup>4</sup> *See id.*; 15 U.S.C. § 636(m).

Business Legal Name was “Candice Argue” with establishment year 2017, and the business categorized under a North American Industry Classification System (NAICS) code for “Beauty Salons.” Ms. Argue was identified as the sole employee. Boxes checked under “Purpose of the loan” were for payroll costs, rent, utilities, and other (with no further explanation). The form contained various certifications, all reflecting the initials “CA,” which included a statement that the applicant “was in operation on February 15, 2020 . . . and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees . . .”; a statement that the funds would be used as authorized by PPP rules; and a statement that information provided in the application and supporting documentation was “true and accurate in all material respects.” On the PPP loan application, the gross income from tax year 2020 was identified as \$100,000. That figure was used to calculate the loan amount of \$20,830 (intended to cover a period up to 2.5 months).

An IRS Form 1040, Schedule C form for tax year 2020 was also submitted, which identified Ms. Argue as the sole proprietor at her home address, the principal business or profession as “Beautician Services,” and a NAICS code for “Beauty Salons.” The gross income was listed as \$100,000; expenses were listed totaling \$21,200 for: advertising (\$5,000), legal and professional services (\$5,000), office expenses (\$500), supplies (\$10,000), and utilities (\$700); and the net profit claimed was \$78,300. Other documents were submitted related to the loan, which included a credit union statement for February 1, 2020 through February 29, 2020, in Ms. Argue’s name, and a copy of Ms. Argue’s Illinois identification card (ID). A “Note” dated April 29, 2021 contained an electronic signature in Ms. Argue’s name for a loan in the amount of \$20,830.

## **B. No Secondary Employment Reported**

The OEIG also reviewed the DHS personnel file for Ms. Argue for any documents related to her secondary employment. At that time, the OEIG located Report of Secondary Employment forms, dated December 22, 2016, November 10, 2017, January 22, 2020, and February 10, 2022.<sup>5</sup> Each of these forms was signed in Ms. Argue’s name and affirmatively reported that Ms. Argue had no secondary employment, including self-employment.

## **C. Candice Argue’s OEIG Interview**

On February 14, 2023, the OEIG interviewed Ms. Argue. Ms. Argue said that in addition to her work for DHS, she had a home care business for elderly people beginning in approximately 2016, in which she helped elderly people with various tasks around their homes, such as cleaning and taking out the trash. She said that her business did not have a name and was not registered with the Illinois Secretary of State. She said that she obtained an Employer Identification Number for filing taxes for the business, but never used it. Ms. Argue said that she did the most business from 2016 to 2018, that she made a little over \$1,000 per year from her home care business, and that the most she ever made in one year from her business was \$6,000. Ms. Argue also stated that since 2019, she has also done other various things, such as doing hair. She said she has been doing hair for friends and family for a very long time, and that although she has had people pay her to do their hair, she does not consider it a business and that she has only ever earned about \$20 or

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<sup>5</sup> The OEIG also located Report of Secondary Employment forms, dated February 19, 2013, reporting secondary employment with [Company 1], and December 30, 2015, reporting no secondary employment.

\$40 a month doing it. Furthermore, Ms. Argue said that she worked various retail jobs during a two-year period in which she was on paid administrative leave from DHS, in 2017 and 2018. Ms. Argue said that she also worked at her home care business when she was on administrative leave. She said that when she returned to DHS in 2019, she stopped providing home care frequently and consistently, but continued to provide some services during her nonworking hours.

Ms. Argue said she was not familiar with DHS's policies regarding secondary employment, and that she did not report her home care business or her outside jobs as secondary employment to DHS. In the interview, Ms. Argue was shown a DHS Report of Secondary Employment dated January 22, 2020, on which she stated that she did not hold any secondary employment. Ms. Argue claimed that she did not recall reading or signing the form, and that, in general, whenever a document needed to be filled out or read at DHS, the supervisor on shift would give it to everyone, ask them to sign it, and tell them not to worry about what it says. She said that it was possible that she signed the form without actually knowing or understanding what it was. Ms. Argue acknowledged that her signature appeared to be on the form, even though it indicated she did not have secondary employment when she was still doing some work on the side for her home care business, adding that she did not think she needed to report anything because it was not interfering with her DHS work hours.

Ms. Argue confirmed that in 2021, she received a \$20,000 loan relating to a business, adding that she needed extra money at the time and did what everyone else was doing at the time in order to get money. She said that she did not complete the loan application herself and she did not know what the loan was for; rather, the application was completed by Individual A. Ms. Argue said that a friend, Individual B, introduced her to Individual A, who Ms. Argue said was helping other people get approved for loans.<sup>6</sup> Ms. Argue described Individual A as someone she believed knew what he was doing and could be trusted. She said that Individual A asked her whether she had a business, and when she told him that she did not have an actual business name or registration for her home care business, he said that he would take care of it. Ms. Argue gave Individual A an image of her ID, her social security number, email address, address, and bank account and routing numbers. Ms. Argue said that Individual A did not tell her the requirements for the loan, and that she never saw the application or other documents associated with the loan. She said that Individual A told her to watch for emails regarding the loan, which she did, and periodically logged in to the lender's website to check the status of her loan. Ms. Argue also said that she also gave Individual A the password to her email account so that he could check on her loan application, and that each time she did so, she changed the password to her email account. Ms. Argue said that she did not recall if she signed any documents for the loan.

In her interview, Ms. Argue was shown the loan application form dated April 16, 2021, which she said she had never seen before. Ms. Argue confirmed that the personally identifying information shown on the form was correct, except for the social security number, which was one digit off. Ms. Argue said that she gave Individual A her correct social security number. Ms. Argue said that the total gross income of \$100,000 was not accurate, that she did not make that much in 2020, and that she does not know where that number came from. She also stated she did not know

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<sup>6</sup> Ms. Argue provided the OEIG with the first and last name of Individual A and stated that she did not know if he was a State employee. Ms. Argue did not provide the OEIG with the first and last name of Individual B who introduced her to Individual A, and simply stated that Individual B was not a State employee.

why the year of establishment for the business was 2017 because she did not give Individual A that information and that the NAICS number associated with beauty salon businesses is inaccurate. Ms. Argue said that she did not sign or initial the loan application, and did not give Individual A permission to sign her name, but that she trusted him to get the loan for her. Ms. Argue was also shown the Schedule C form submitted with the PPP application. She said that she did not recognize it or fill it out. She said that the gross income of \$100,000, the expenses, and tentative profit shown on the Schedule C form are inaccurate.

Ms. Argue confirmed that \$20,830 in loan proceeds were deposited into her personal bank account. She said that she gave Individual B \$600 in cash to give to Individual A once she received the funds and that she no longer speaks to Individual A. Ms. Argue said that she spent the loan funds on personal everyday living expenses and catching up on bills. She said that she did not use loan proceeds for any kind of business expenses because she does not have any business expenses.

Ms. Argue said that she has received emails from the lender regarding filling out an application for loan forgiveness. She said that she tried to apply for forgiveness, but she was unable to apply because the website was unable to locate her loan. Ms. Argue stated that after reviewing the loan application and Schedule C in the interview, she now believes that this is due to the incorrect social security number associated with her loan.

Ms. Argue claimed that she did not know that Individual A had to put inaccurate information on loan documents in order for her to receive the loan, and that she did not know that the loan had anything to do with owning a business. She said that she did not know where Individual A got any of the numbers that were reported on the loan documents. She said that she would never have gone through with the loan process if she knew the information was inaccurate, and that she wants to pay the loan back.

#### **IV. ANALYSIS**

The DHS Rules of Employee Conduct state that an employee's "conduct while off-duty may subject the Employee to discipline up to and including discharge" when the conduct raises "reasonable doubt concerning the Employee's suitability for continued state employment."<sup>7</sup> In addition, the State of Illinois Code of Personal Conduct provides that "A State Employee will conduct himself or herself . . . with integrity and in a manner that reflects favorably upon the State."<sup>8</sup>

Ms. Argue acknowledged that she obtained a PPP loan in 2021 and that she used the proceeds of that loan. The information in Ms. Argue's loan documentation, however, was false. Ms. Argue's loan application listed 2020 gross income from a "sole proprietorship" in an amount of approximately \$100,000. In her interview, Ms. Argue admitted that the gross income listed in her loan application and associated Schedule C form to qualify for the loan was inaccurate, and that she never earned more than \$6,000 from her business in any one year.

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<sup>7</sup> DHS Administrative Directive 01.02.03.040.

<sup>8</sup> Illinois Code of Personal Conduct, Conduct Unbecoming of a State Employee (2017 & March 17, 2021).

During her interview, Ms. Argue explained that she paid Individual A \$600 (through Individual B) to complete the loan application for her, and gave Individual A permission to complete and submit the applications and supporting documents on her behalf. Ms. Argue's statements that she did not complete, sign, or even see any of the PPP loan documents, however, do not absolve her of responsibility. Ms. Argue admitted that she gave Individual A her personally identifying and bank account information, believing that Individual A would take care of obtaining a loan on her behalf. She also confirmed that after being approved for the PPP loan, she spent the loan proceeds of \$20,830 in public funds for personal, everyday living expenses and catching up on bills. In addition, Ms. Argue does not appear to have taken any reasonable steps to ensure the information being submitted on her behalf to obtain federal money was accurate, even though she had access to the loan documents through her personal email account. Thus, Ms. Argue facilitated the submission of a loan application with false information, and received and spent the loan proceeds, in violation of PPP rules.

Moreover, the DHS secondary employment policy requires employees to complete a new Report of Secondary Employment form annually, confirming "any secondary employment, including self-employment, or whether not secondary employment exists." It further states that employees who want to engage in previously unreported outside employment need to submit a Report of Secondary Employment form within five working days of commencing secondary employment and receive approval to engage in the secondary employment. Any secondary employment reported is then evaluated by DHS management to determine whether it poses a conflict of interest. The policy states that "[f]ailure to have an accurate and current form submitted may result in disciplinary action, up to and including discharge."<sup>9</sup> Further, due to "unique concerns" related to secondary employment during an official leave of absence, employees on leave are specifically instructed to submit a form within five days of beginning any secondary employment and within 30 days of returning from leave.<sup>10</sup>

DHS documents show that Ms. Argue affirmatively reported no secondary employment at least four times: on December 22, 2016, November 10, 2017, January 22, 2020, and February 10, 2022. Ms. Argue, however, admitted to operating her home care business from 2016 to 2019, and not reporting it to DHS. She also admitted to working two retail jobs during the two-year period in 2017 and 2018, while she was on administrative leave, and not reporting it to DHS. Based on the evidence, there is reasonable cause to believe that Ms. Argue violated DHS and State of Illinois policies on employee conduct and secondary employment.

## **V. [REDACTED] AND RECOMMENDATIONS**

Based on the evidence detailed above, the OEIG has determined **THERE IS REASONABLE CAUSE TO BELIEVE THE FOLLOWING:**

- **[REDACTED]** – Candice Argue obtained a federal PPP loan based on falsified information in violation of DHS and State of Illinois policies on employee conduct.

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<sup>9</sup> DHS Administrative Directive 01.02.03.120. The policy states that if secondary employment is reported, the form will be placed in the employee's official personnel file. *Id.*

<sup>10</sup> *Id.*; also see DHS Administrative Directive 01.02.02.230 (Leaves of Absence).

- **[REDACTED]** – Candice Argue failed to report secondary employment in violation of DHS policy.

Regardless of the ease of procuring these PPP funds, this was not free money for the taking. These loans, as with any other, required truthful information as a basis for approval. State employees are expected, at minimum, to maintain the public's trust and confidence. Misappropriating such funds is far from being ethical, professional, acting with integrity, or conducting oneself in a manner that reflects favorably upon the State. Accordingly, the OEIG recommends that DHS terminate Ms. Argue.

No further investigative action is necessary, and this matter is considered closed.

Date: April 18, 2023

Office of Executive Inspector General  
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By: **M. Katherine Boychuk #161**  
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Investigator





JB Pritzker, Governor

Illinois Department of Human Services

Grace B. Hou, Secretary

**Office of the General Counsel**

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May 4, 2023

***Via e-mail to Senior Paralegal Sherry Bult (at [REDACTED]@illinois.gov), on behalf of:***

Susan M. Haling

Executive Inspector General

Office of the Executive Inspector General for the Agencies of the Illinois Governor

69 West Washington Street, Suite 3400

Chicago, Illinois 60602

RE: Response to the Final Reports for Complaints 23-00048, [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], and [REDACTED]

Dear Executive Inspector General Haling:

This letter responds to the Final Reports for the complaints listed above. The Department of Human Services (DHS) is currently reviewing the complaints. Your office will receive an update as these matters move along. If you have any questions, please feel free to contact Robert J. Grindle, DHS' Ethics Officer.

Regards,

/s/ Grace B. Hou by /s/ Robert J. Grindle

Grace B. Hou  
Secretary



JB Pritzker, Governor

Illinois Department of Human Services

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September 21, 2023

***Via e-mail to Senior Paralegal Sherry Bult (at [REDACTED]@illinois.gov) on behalf of:***

Susan M. Haling

Executive Inspector General

Office of the Executive Inspector General for the Agencies of the Illinois Governor

69 West Washington Street, Suite 3400

Chicago, Illinois 60602

RE: Updated Response to the Final Report for Complaint 23-00048

Dear Executive Inspector General Haling:

This letter updates a previous response for the Final Report for Complaint Number 23-00048. That Final Report details two [REDACTED] allegations, regarding the federal Paycheck Protection Program (PPP) and secondary employment. It makes one recommendation. The recommendation has been followed. The Department of Human Services (DHS) discharged the employee, effective, August 15, 2023.

With the employee's separation complete. If you have any questions, please feel free to contact Robert J. Grindle, DHS' Ethics Officer.

Regards,

/s/ Grace B. Hou by /s/ Robert J. Grindle

Grace B. Hou  
Secretary